

POWER SOURCE[®]

A Corporate Publication of Santee Cooper

WINTER 2006



South Carolina's Huntington Beach State Park offers visitors one of the best preserved beaches on the Grand Strand.

PLANNING FOR CUSTOMER GROWTH

The New Year brings with it a unique opportunity to look with vigor towards the upcoming challenges of the year while reflecting upon the many successes of the past 12 months.

In that vein, let me take this opportunity to introduce Santee Cooper's new interim chairman of the board of directors, O.L. Thompson III of Mt. Pleasant, S.C. Last November, he was found fully qualified to serve on Santee Cooper's board of directors by the state Public Utilities Review Committee and began serving immediately. He was confirmed by the state Senate on Jan. 11.

Chairman Thompson has earned a reputation in the state as being someone of high ethics, personal credibility, integrity and honesty. He will make a strong addition to our board and he believes strongly in our mission, to be the state's leading resource for improving the quality of life for the people of South Carolina.

We worked hard in 2005 to provide the service our customers have grown to expect. Nevertheless, we're always looking for ways to improve.

This shows in our customer satisfaction ratings that have remained well above the national average for nearly 10 years now. The 2005 year-end overall customer satisfaction rating was 95.5 percent, a statistic of which I am very proud, as are the other 1,733 employees at Santee Cooper.

Our direct service territory in Berkeley, Georgetown and Horry counties continuously grows. You often see moving trucks parked at front doors of new homes with folks unloading sofas, beds, tables and chairs. New businesses pop up everywhere. And our indirect service territory in conjunction with the 20 electric cooperatives across the state are experiencing similar growth patterns. People steadily move to our area, and they need, and expect, reliable, low-cost power.

We're keeping in step with growth by building new generation with additional transmission and distribution lines, as well as by remaining committed to finding alternative energy sources.

Our new \$1.4 billion generation construction is on schedule. Unit 3 at Cross Generating Station is about 70 percent complete and is still on track for a January 2007 commercial operation date. Unit 4 is nearly 15 percent complete and will generate electricity commercially in early January 2009.

In order to deliver the newly generated electricity, we're building new transmission lines, delivering power to areas all across the state. This is a \$135 million investment that will help maintain our record reliability figures, which last year reached 99.998 percent.

Santee Cooper is moving forward with our next phase of green power and will include solar, wind and biomass as new renewables to our generation mix.



Lonnie N. Carter

Lonnie N. Carter
President and Chief Executive Officer

And, we'll be adding two additional methane-gas-to-electricity facilities this year as well.

What else is ahead in 2006? Additional generation planning, the possibility of building new nuclear facilities, the issue of rising fuel costs and enhanced economic development efforts.

Santee Cooper's continuous planning to meet customer demands has helped us become known as the hard-working, honest South Carolina utility that provides reliable, low-cost power. Thanks for your trust in us as we plan for another year of quality service and innovative value to the state of South Carolina.



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4. Working Safely Tops List of Priorities at Santee Cooper

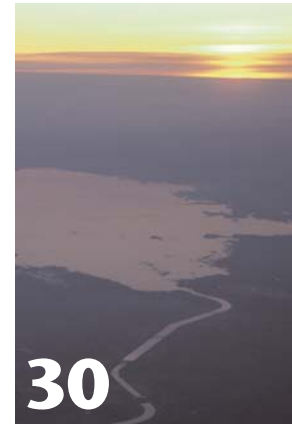
By Jim Huff

Photography by Jim Huff

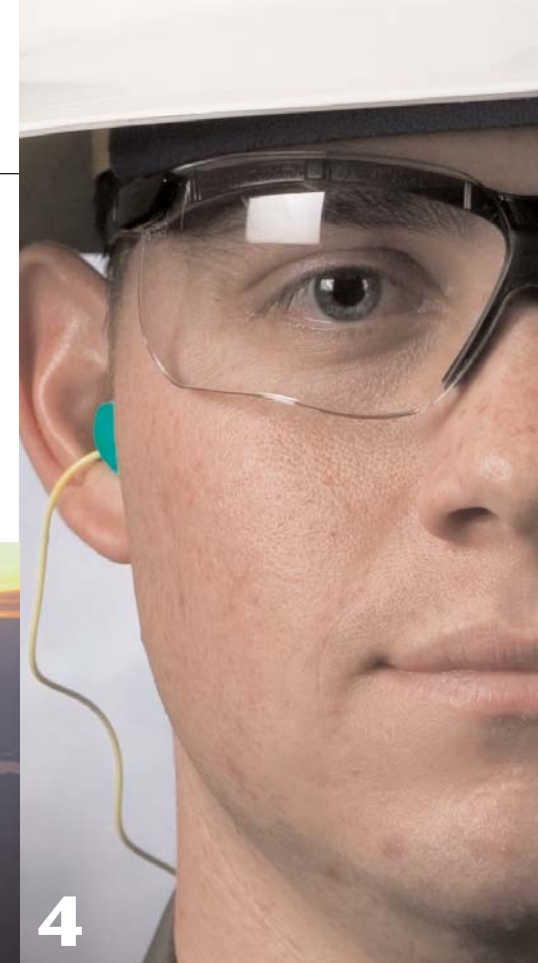
10. Employees Give of Themselves during Day of Caring

By Jill Watts

Photography by Jim Huff



30



4



10



16



22

16. New South Lumber Co. Sawmill in Conway on the Cutting Edge

By Willard Strong

Photography by Jim Huff

22. Huntington Beach State Park Provides Nature, History & Solace on South Strand

By Willard Strong

Photography by Jim Huff

30. Watershed Provided Foundation for Society

By Phil Fail

Photography by Jim Huff and Phil Fail

35. NewSource

An Update on Relicensing of the
Santee Cooper Project

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WORKING SAFELY TOPS LIST OF PRIORITIES AT SANTEE COOPER

- Hard hat ...CHECK!
- Safety glasses ...CHECK!
- Hearing protection ...CHECK!
- Steel-toed boots ...CHECK!
- Safety gloves ...CHECK!
- All PPE—personal protective equipment—in good-working order ...CHECK!



Top: Jim Coleman, director of occupational safety, health and industrial hygiene at Santee Cooper, encourages employees to familiarize themselves with their safety manual.
Left: PPE, or personal protective equipment, is key to maintaining Santee Cooper employees' safety.

Safety is a vital part of every job at Santee Cooper.

"To prove just how important safety is to Santee Cooper, it is one of our four corporate goals, along with providing low-cost, reliable power; customer satisfaction; and value to the state," says Jim Coleman, director of occupational safety, health and industrial hygiene.

The overall mission of Santee Cooper's safety department is to ensure the safety and health of the utility's employees, Coleman says.

To encourage and maintain good health, Santee Cooper provides an annual physical for every employee. The concept of wellness is promoted through various types of activities and information. And, both occupational and non-occupational health counseling are available.

“Personal injuries and motor vehicle accidents are costly in terms of human suffering, medical expenses, reduced performance and productivity, property damage and other factors, all affecting the bottom line,” Coleman says. “It is the role of our safety staff to ensure safe working conditions and practices.”

Safety operates from both the Moncks Corner and Horry-Georgetown offices, and safety personnel travel to more than 36 different manned locations to fulfill their objectives. Auditing inspections are made of all locations, crews, equipment and work procedures, which is quite a task for a safety department of six that includes Coleman, three safety specialists, an industrial hygienist and a secretary.

“We cover the entire company spread out over three-quarters of the state,” says Coleman. “Every crew and location including field offices, substations and customer services offices are audited a minimum of once each year. Generating stations are generally audited once each week.”



Santee Cooper's specialist Susan Mungo examines a safety harness for fall protection with line technician Chris Booth.

Due to the size of the generating stations, these weekly inspections are confined to a specific plant location such as the boiler, turbine floor, scrubber area, maintenance or electronics and instrumentation shops.

Photographs are taken and information is compiled and provided to the appropriate supervisor. A follow-up visit is made to make certain that any safety violations have been corrected.

A line crew work site audit, for example, will determine if proper work procedures and grounding methods are being followed. Is the crew holding a pre-work or “tail board” meeting to discuss what they are going to do and how they are going to do it safely? Is personal protective equipment, such as hardhats, safety

Santee Cooper's Lineworkers' Rodeo is held annually to encourage safe working practices. Line technicians from 22 teams participated in the 2001 rodeo sponsored by APPA and held near Conway, S.C.



glasses, safety gloves and appropriate fall protection, being used? Is all other equipment in proper working order?

“We need to make sure we’re in compliance with all Occupational Safety and Health Administration standards,” says Coleman.

All OSHA recordable injuries are followed by an accident investigation. A safety specialist methodically reviews the accident. A variety of questions are considered such as: Were any safety rules violated? Were work procedures followed correctly? Was appropriate PPE worn? Was the work site safe?

“The primary goal of an investigation is to learn from an accident, not to point the blame,” says Coleman. “We want to understand why the accident happened and make recommendations to ensure it does not happen again.”

The logistics of disseminating the information learned from investigations to the numerous outlying areas and multiple crews is a significant challenge. But it is necessary to learn from mistakes and communicate clearly, so that the proper steps are taken to avoid the repeat of a similar accident.

We want to do all we can to keep employees safe, wherever they are.

Santee Cooper’s corporate safety committee meets quarterly to review the overall safety program. Coleman chairs the committee, which involves representatives from a number of departments including distribution, generation, transmission, administration and finance, corporate services, general counsel, risk management and occupational health.

The committee carefully assesses the American Public Power Association’s safety manual updates and makes recommendations for adoption of APPA standards. Safety equipment is evaluated, and suggestions are made regarding new equipment to use to improve safety.

At the 2004 Lineworkers’ Rodeo, line technician Larry Hatchell checks equipment, ensuring his and his Santee Cooper team members’ safety during the rodeo’s dead-end bell changeout event.





Each year, Santee Cooper conducts a safety slogan contest to promote safety.

“Accident investigations are reviewed and analyzed for cause and effect and possible trends,” notes Coleman. “Committee observations and recommendations are provided to executive management.”

Safety also participates on the corporate commodities committee, which recommends what safety products are available in the central warehouse such as fire retardant rainwear, hardhats, safety glasses, fall protection and other safety products.

Administration of the corporate workers’ compensation program is also the responsibility of Santee Cooper’s safety department.

“We want to ensure medical care coverage and continuation of employee salaries following accidents,” according to senior safety specialist Joe Hutchinson. “And since Santee Cooper’s workers compensation program is self-insured, we emphasize the connection between avoiding injuries and keeping costs down.”

“I guess you could say we’re the corporate safety police,” adds Hutchinson.

“We try to gain the employees’ trust and keep them safe, while not looking like the bad guy. We provide information and make recommendations; however, all discipline is left up to management and employee relations.”

While the national average in the electric utility industry is approximately 4.0 recordable injuries per 100 employees, Santee Cooper’s average is about half that. The best average was 2.3 per 100 in 2000, until only 30 injuries were recorded in 2005, setting a new record of 1.7 recordable injuries per 100 employees.

Industrial hygienist Randy Hyman is the Santee Cooper employee’s “personal safety person.”

“Employee work environments and safety procedures must be carefully monitored,” according to Hyman. “For example, work areas are periodically checked for excessive noise levels or airborne contaminants. All employees who are required to use respiratory protection are fit-tested annually.”

Hyman also administers the Hazardous Communications program, an OSHA standard, which safeguards employees from hazardous materials and requires the compilation of Material Safety Data Sheets of all hazardous materials.

Safety works very closely with Santee Cooper’s training department to make sure all employees understand safe practices. Mandated safety training is now linked to job titles to better provide the correct training for employees.

Every employee receives a safety manual upon hiring, and it is available on the company’s intranet site. Employees are encouraged to familiarize themselves with the safety rules for their respective jobs.

Included is a section on safety in the office environment, which is where about 10 percent of injuries occur each year.

“Safety is promoted as the responsibility of everyone, and we believe there is a spillover effect of the safety culture from work to home,” says Coleman. “Once employees are introduced to practices such as safe lifting, or the use of hearing and eye protection, they tend to follow the same safety standards at home.”

“The bottom line is we want employees to be in as good a shape when they leave work as when they arrived,” concludes Coleman.



Industrial hygienist Randy Hyman performs a respirator fit test with Jay Vaughn, technician A at Santee Cooper’s Jefferies Generating Station located near Moncks Corner, S.C.

“And we want them to realize that beyond personal suffering and loss of productivity, injuries also have an effect on their families. We want to do all we can to keep employees safe, wherever they are.”

EMPLOYEES GIVE OF THEMSELVES DURING DAY OF CARING

Communities throughout South Carolina are familiar with the faces of Santee Cooper employees. Each year Santee Cooper employees volunteer thousands of hours to charities with causes as diverse as the employees themselves. Through such sharing and caring efforts, they are extending themselves into the communities where they work and live, "giving something back," as each volunteer will tell you. "We give a lot through what we do, but believe me, we get much more in return," says Kenny Robinson, who, like many employees, has made such outreach an important part of his life and the lives of those whom he helps.

There's probably no charity that receives more attention from employees than United Way. Over the past several years, hundreds of employees have participated in the annual Day of Caring coordinated by local United Way organizations.



United Way

On the Day of Caring, usually held in September or October, volunteers from local businesses and organizations put on their "work clothes," pick up

their toolboxes and report to the front doors of local nonprofit organizations to tackle meaningful volunteer projects. Day of Caring was established to promote the spirit and value of volunteerism, increase the awareness of local human service agencies and demonstrate what people working together for the community's good can accomplish.



Above: Santee Cooper's technical associate David Kaczmarek measures for the next piece of wood needed in the construction of a food-storage building at the Horry County Shelter Home near Conway, S.C.

Right: Construction maintenance planner Mike Lewis and technician Kevin Edge, both Santee Cooper employees, unload a post to be used in construction of a picnic shelter at the Cedar Branch Children's Center during Horry County's 2004 Day of Caring.



“Santee Cooper traditionally works to improve the quality of life throughout the communities we serve,” says Lonnie Carter, president and chief executive officer. “We could not be effective as a responsible corporate citizen and as a good neighbor without our employees giving of themselves through such efforts as Day of Caring.”

Mary Rudloff, a former Santee Cooper employee and a native of Berkeley County, describes her most recent Day of Caring experience at the Old Whitesville School.

“I’m passionate about things connected with our heritage, history and culture,” she says matter-of-factly. It’s obvious that her interest extends beyond a one-day event.

The Old Whitesville School dates back to the late 1800s. The school building was recently moved to a site at the Old Santee Canal Park in Moncks Corner. The Berkeley County Historical Society and the Berkeley Museum are refurbishing the structure as part of a new addition to the museum called The Heritage Village.



The Old Whitesville School, which dates back to the late 1800s, was moved to the Berkeley Museum in Moncks Corner to become a focal point of The Heritage Village. Santee Cooper employees Mike Smoak (left) and Mary Rudloff, director of special projects work to help restore the old school house.

“We give a lot through what we do, but believe me, we get much more in return.” — Kenny Robinson

With hammers, pressure washers, saber saws, power drills and every tool imaginable, more than a dozen Santee Cooper employees added their input to making the century-old school-house look its age. The work force consisted of a cross section of employees including accountants, analysts, engineers, administrative and technical specialists, as well as vice presidents, line workers, secretaries and unit operators. You name it: just about every job title was represented. They chipped away at layer after layer of paint on the tongue-in-groove wooden walls, ceilings and

floors. They also painted doors, sawed and hammered together a handicap-accessible ramp and brought the vintage structure closer to the finished condition envisioned by project coordinator Rudloff.

Over the years, hundreds of Santee Cooper employees have participated in the Trident United Way Day of Caring, which serves Berkeley, Charleston and Dorchester counties. Rudloff has participated in every one. She describes another Day of Caring experience that took her and more than a double handful of employees to the 250-year old St. Stephen’s Episcopal



Kevin Hawkins, Santee Cooper’s supervisor of communications design Kevin Hawkins puts a fresh coat of paint on letters of a Berkeley County historical marker during the 2003 Day of Caring.

Church in Berkeley County. The church’s cemetery was the beneficiary of volunteers who spent many tedious hours on their hands and knees, carefully cleaning and preserving tombstones.

“The church is on the National Register of Historic Places, but isn’t it important to preserve these markers, in essence, these lives?” asked Rudloff. “We’re not just about providing reliable, low-cost power. Moreover, we’re about improving the quality of life for South Carolinians,” she adds. Her emphatic tone leaves little doubt that she means what she says.

Administrative Associate Sherry Gooding’s 2004 Day of Caring experience took her to the offices of Guardian Ad Litem, located in a small gray house at the end of the Piggly Wiggly parking lot on U.S. Highway 17A in Moncks Corner.

The mission of GAL is to recruit, train and supervise court-appointed volunteers to represent and advocate the best interests of children in Family Court proceedings that involve allegations of abuse and neglect. Gooding volunteered at the Trident United Way-supported organization again this year. Serving as a team captain, she and three other Santee Cooper employees armed themselves with cleaning

supplies, donned gloves, then pushed brooms, mops and vacuum cleaners to go over every inch of the GAL offices.

“The staff there was so appreciative,” Gooding says fondly. “I could tell we made a difference there, so I had to go back and help again this year.” She explained that many people take for granted that they have a clean work environment, but GAL doesn’t have resources to pay for cleaning services. “It’s something we can do to help them accomplish more for our community,”

Trident United Way’s Day of Caring banner, along with the United States’ flag, hang at the North Charleston Convention Center in North Charleston, S.C. at the 2002 Day of Caring.





The Berkeley County Guardian ad Litem offices received a thorough cleaning by several Santee Cooper employees. From left to right are Deborah Nelson (former employee), historical education coordinator Mary Bell, park specialist Alison Harrison and administrative associate Sherry Gooding.

she adds. "I feel fortunate that Santee Cooper encourages us to work together because we can achieve so much more."

During Day of Caring 2005, the Horry County Shelter Home received a much-needed and greatly appreciated facelift when hundreds of volunteers arrived on site. Among them were more than 30 Santee Cooper employees. The shelter home is a state-licensed, private, non-profit organization that provides emergency shelter and a homelike environment for abused, abandoned or neglected children up to 17 years of age.

Volunteers remodeled a building that can now be used to refrigerate and store food. One group constructed a new bus stop shelter so children can wait safely and comfortably each morning for the bus. Other volunteers transformed an indoor toddlers' play area into a safe, child-friendly brightly colored playroom. Several Santee Cooper employees helped outfit a computer room, making it available for

homework and tutoring use. Both the boys' and girls' houses received a coat of fresh paint inside. Changes were made everywhere.

"Now, that's impact!" says Ed Jones, executive director of the almost 30-year old facility.

Almost every day is a day of caring for Santee Cooper's revenue protection specialist Kenny Robinson, who is known around Loris for volunteering to lead children's activities. He has directed his church youth choir and has coached



During the 2004 Day of Caring, Kenny Robinson, revenue protection specialist at Santee Cooper, smooths mortar during construction of the Wall of Dreams at the Cedar Branch Children's Center in Conway, S.C.

baseball, basketball and football for more than 20 years. These activities have put the 43 year-old father of three in touch with many young people.

"Some of them (children from the shelter home) are grown now, some raising their own families. When I see them, I feel I may have had a part in putting them on the right path," says Robinson modestly. He joined in at the shelter home working in the hot sun with co-worker technical associate

David Kaczmarek. On this 2005 Day of Caring, they helped about a dozen other Santee Cooper employees with the new food-storage building.

Olivia Garren, executive director of United Way of Horry County for more than 20 years has seen a great deal of change, but one thing that remains the same is the mission of United Way.

"United Way is all about making a direct impact on the community," Garren says. She explains that United Way of Horry County works with community leaders, government agencies, faith groups, current and potential partners, donors and volunteers to find solutions to community problems. "We realize that the community's priorities and plans come first. Then we find out how we can help, how we can make an impact."

Trident United Way President Chris Kerrigan echoes equally strong feelings

about the value of volunteerism provided by Santee Cooper employees and other volunteers. "We see their great input and efforts year-round," he says. "Then, on Day of Caring, it all seems to rise to the surface, getting the organizations involved with a surge of attention from the public and the media. It allows all United Way organizations to observe and appreciate the strength of employee volunteers in each community through their caring, giving outreach."



Santee Cooper employees Rolan Tatara and Damon Tracy, both technicians at Santee Cooper, restore the hand railing of the Old Whitesville School on the grounds of the Berkeley Museum in Moncks Corner, S.C.

NEW SOUTH LUMBER COMPANY: SAWMILL IN CONWAY ON THE CUTTING EDGE

The year was 1957.

Former general Dwight D. Eisenhower was in the White House. America was enjoying post-war prosperity. New homes were going up, the nation was in the midst of the baby boom, and the term “suburbs” first becomes part of our language.

It was the perfect time to build a sawmill. That year, the Red Hill Chip facility opened for business just outside Conway. It now operates as New South Lumber Co. and is one of Horry County’s oldest businesses.

Today, the sawmill is a bustling place. Big pine logs arrive at the site loaded on tractor-trailer trucks and the wood departs as lumber on big rigs, often bound for Lowe’s, Home Depot or a retail lumber yard.

“Our base material is logs,” says Dave Dodge, New South Lumber’s vice president of procurement. “We use 600,000 tons of logs a year, or about 100 truck loads per day.”

This kind of volume results in about 150 million board-feet of lumber going out the door every year. That figure is part of the 1.5 billion board-feet that South Carolina produces annually. New South is a big part of meeting the voracious construction demand for wood products along the growing Grand Strand and Southeast.

Component of South Carolina’s Forest Products Industry

A lumber mill such as New South is part of a much bigger picture, the huge role the forest products industry plays in the state. For example, according to the South Carolina Forestry Association, the forest products industry in the Palmetto State:

- Produces a product with a “delivered value” of \$835 million, making these products the state’s “most valued agricultural crop”
- Has an annual payroll of \$1.24 billion, the third largest industrial payroll
- Employs 30,292 people, and is South Carolina’s third largest employer



Right: Dick Hoffman, manager of the New South Lumber Co. mill in Conway, is a veteran lumberman who’s been working at the Horry County facility since 1975.

Left: Stacked lumber, that once stood as pine trees prior to being harvested and transported as logs to the New South Lumber Co., is ready for shipment to retail outlets and lumberyards throughout South Carolina and the Southeast.



Sorting and grading of lumber is an important feature of the mill's mechanized processes. This New South Lumber Co. employee operates controls during the sorting process.

Part of the Pee Dee's Agricultural Economy

While half of the state's trees are hardwood types, the other half are pine. Approximately one-half of the pine land is "natural pine" and the other half is "pine plantations." The production of tobacco, corn and soybeans, historical agricultural staples, has declined during the last few decades.

A big reason is simply that fewer

people farm. Older farmers are retiring and there aren't younger farmers to replace them. The economics of row crops aren't attractive enough to young people reared on computers in the information age. Timbering, however, is a bright spot in the state's agricultural picture. Dodge can draw a circle around Conway and point out the areas where they get most of their pine logs.

"We receive a large percentage of our log supply from Horry County," says Dodge. "The majority of our log supply is delivered from within an 80-mile radius from counties such as Georgetown, Williamsburg, Marion and Florence, in addition to Horry. Approximately 50 percent of the timber we buy is negotiated with landowners, and the other half is generally purchased through a bid process."

These transactions typically represent tracts of about 50 acres or less, with log diameters ranging from 10 inches to 26 inches "on the stump."

New South Mill is Wood With High-Tech Edge

It doesn't take long to conclude that this isn't your father's or grandfather's sawmill. Computer technology is applied to just about every step of the process. Scanners

Forests cover two-thirds of South Carolina and nearly three-quarters of these forests are owned by private "non-industrial landowners." In other words, the pine logs rolling in daily at the Conway sawmill are, more often than not, the result of a transaction between New South Lumber and a private timber owner, not a big company.

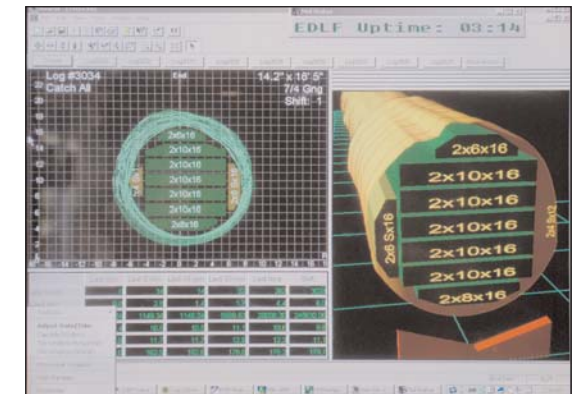
"We work with a large network of wood suppliers and landowners to procure the logs we need to operate our mill," Dodge says. "Additionally, there is a lot of direct contact between our foresters and private landowners."

measure logs. Software has been designed to analyze a log during the debarking process, and a computer is smart enough to precisely know where to cut a crooked log, which is an important part of maximizing a log's value.

About two years ago, a new optimized log-bucking process began, representing an investment of \$2.5 million, which also reduced the number of required operators on the log deck from five to two per shift.

The mill employs about 143 people and features a single-line, in-feed, out-feed operation on a four or five-day workweek, depending on demand. Just to keep things running, there are 32 employees who primarily do maintenance work, which is usually scheduled on weekends when the mill's not running. There are eight full-time electricians onsite.

"We have a spare parts room with \$1.75 million in inventory," says mill manager Dick Hoffman, who's been employed there for 30 years.



While the Conway mill is nearly a half-century old, New South Lumber Co. has continuously invested in state-of-the-art computer equipment to keep its manufacturing processes on par with domestic and foreign competitors.



A New South Lumber Co. employee prepares another load of high quality pine lumber to be transported by New South express, helping to satisfy demand for a growing Southeast.

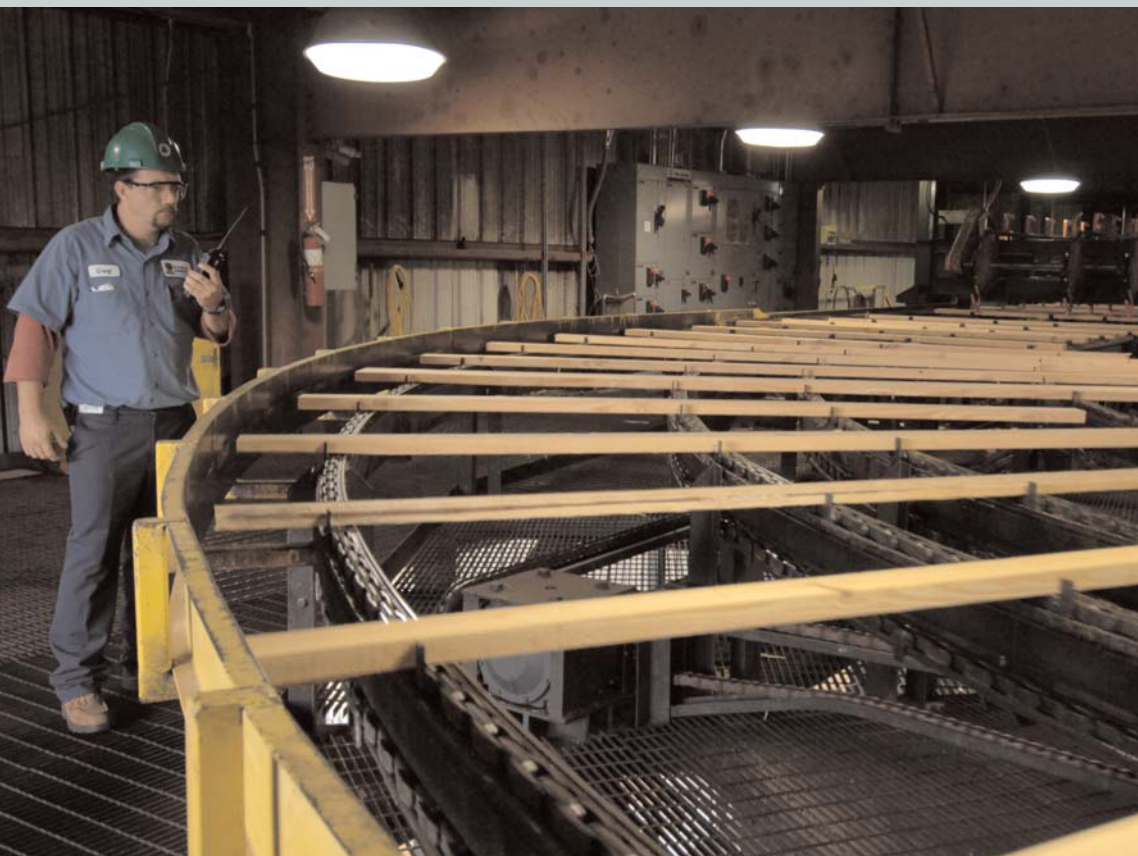
New South Lumber Companies

The Conway sawmill is one of three plants now operated as New South Lumber Co. with the other two located in Camden, S.C. and Graham, N.C. The firm is one of four divisions of the parent company, New South Cos. Inc., based in Myrtle Beach. In addition to the sawmill division, New South Cos. have a wood-preserving company, an international trading company and a transportation company. New South Lumber also owns a stud manufacturing plant in Marion, S.C.

Specialized machines include those that can do edging, either chip edging or saw edging. A planer can run up to 2,000 linear-feet a minute.

“There are only about 100 mills in the United States and Canada that have the grading software technology that we employ,” says Ernest Rabon, New South’s sawmill manager.

There are six general grades of lumber produced by New South. Pine wood can also be treated for specific applications, such as a saltwater environment in a dock, to a simple deck in the backyard or for a truss used in home construction. Newly sawed boards stream along, assembly-line fashion, even making 90-degree turns within the plant, no easy feat in the process.



Pine boards easily make a difficult 90-degree turn as they speed along at the mill, a unique part of the manufacturing process.

Five drying kilns can be found at New South Lumber and all of the lumber produced there is dried before receiving a grading stamp. Drying is also computerized and improperly dried pine boards can end up being greatly devalued or even useless. It’s another critical part of the manufacturing process where quality is emphasized every step of the way.

“About 1,000-cubic feet of air a minute goes through the drying area,” says Hoffman. “Because of the computer, we can even make drying decisions from our homes.” A 60,000-pound boiler is used for drying.

As one might imagine, all this takes a good bit of electricity. New South Lumber uses about \$1 million worth of electric power a year and is one of Santee Cooper’s 32 industrial customers.

“Santee Cooper does a good job keeping the power on and we have a really good relationship,” says Mike Hensley, the plant controller. “We’re on the interruptible rate and when they have to curtail, which isn’t often, they’re real good about letting us know what’s going on.”



Quality control is found every step of the way at New South Lumber Co., where highly skilled and experienced employees make sure the customer gets the best product attainable.

New South Lumber sits on 54 acres of land, and the city of Conway has grown around it since the late 1950s.

Environmentally Responsible Industry

“We are proud that we utilize a raw material that is a renewable resource,” says Craig Forbes, vice president of New South Wood Preserving Co. “Additionally, our industry emits few pollutants and uses less energy in the manufacturing process than competing building products such as steel and concrete.”

New South Lumber Co. is a participant in the Sustainable Forest Initiative. They view their relationship with forest landowners as a mutually beneficial partnership that will keep both the forests and the forestry industry healthy for generations to come.

“Forests act as filters for air and water and they enhance the quality of both,” says Dodge. “We encourage best-management practices on forest land by both landowners and logging operations.”

Properly managing a forest enhances biological diversity, thus increasing the many types of plants and animals found on a tract of land. Each year in the state, 26 percent more timber is grown than is taken away by harvesting, land clearing or land-use changes. This growth exceeds cutting by approximately 230-million cubic feet annually.

For more information about New South Lumber Co. and its subsidiary companies, go to www.newsouthcompanies.com

HUNTINGTON BEACH STATE PARK PROVIDES NATURE, HISTORY & SOLACE ON SOUTH STRAND

Want the ocean? The Atlantic's right there, along with a saltwater marsh and freshwater wetlands.

Want nature? It's a "birders" paradise, with at least 313 species spotted on-site.

Want fishing? The south end of the Murrells Inlet jetty provides unique angling opportunities.

Want camping? They have 137 camp sites with electricity and water, including 24 camp sites with full hook-ups for recreational vehicles and six "tent only" camp sites.

Want history? The story of sculptress Anna Hyatt Huntington and her industrialist/philanthropist husband, Archer Milton Huntington, is like something out of "The Great Gatsby." In artistic circles at least, it can be considered one of high society's classic romances of the early 20th century. This union of artistic and pioneering conservationist work set the stage for the founding of Brookgreen Gardens, located across the highway from the state park.

All this and more can be found at Huntington Beach State Park.

Nestled along South Carolina's Grand Strand in northern Georgetown County, it's only been a state park since 1960, when Brookgreen Gardens leased it to the state.

"We are a traditional state park that offers many, many opportunities to the people of South Carolina," says Keith Windham, the park's manager. "Huntington Beach is a state treasure that attracts those interested in nature and history."

If it's the bright lights of Myrtle Beach you seek, Myrtle Beach State Park is just up the road. But if it's really getting back to a more natural experience, this is the place.



Top: According to park manager Keith Windham, Huntington Beach State Park offers a diverse coastal environment to its visitors.

Right: Visitors to Huntington Beach State Park can enjoy the pristine beach and the tranquil vista of the Atlantic Ocean. They can also explore the diverse habitats, such as salt marshes and freshwater lagoons, and view a wide variety of wildlife, such as alligators, bald eagles, osprey and nesting loggerhead sea turtles.



Brookgreen Gardens, located across U.S. Highway 17 from the park, is a separate, private organization and attraction. It is the home of the world’s largest collection of outdoor sculpture. The two are inextricably linked and Windham characterizes the relationship between the State Park Service and Brookgreen Gardens as exceedingly good and mutually beneficial.



Anna Hyatt Huntington works on a sculpture inside Atalaya’s daylight studio.

The park, perched between Murrells Inlet and Litchfield Beach, features 2,500 acres, including three miles of beach. An education center features an exhibit hall with live animals and a touch tank, an “ecolab” and “wet lab.” Then there’s the jetty at Murrells Inlet, a perk for the angler with its short “rocky coastline.”

But the centerpiece of Huntington Beach is the “castle,” otherwise known as Atalaya. While generations of South Carolinians may have pronounced it At-uh-LAY-uh, the correct pronunciation, we are told on good authority, is At-uh-LIE-uh. Atalaya, essentially an art studio and winter residence, is where Anna Hyatt Huntington did much of her sculpture work that ended up in Brookgreen Gardens or shown throughout the world.

The Huntingtons

The Huntingtons married in 1923. Nearly seven years later the two were sailing down the Waccamaw River to look at property that had once enjoyed the opulence of a rice culture that made many planters wealthy in antebellum times.

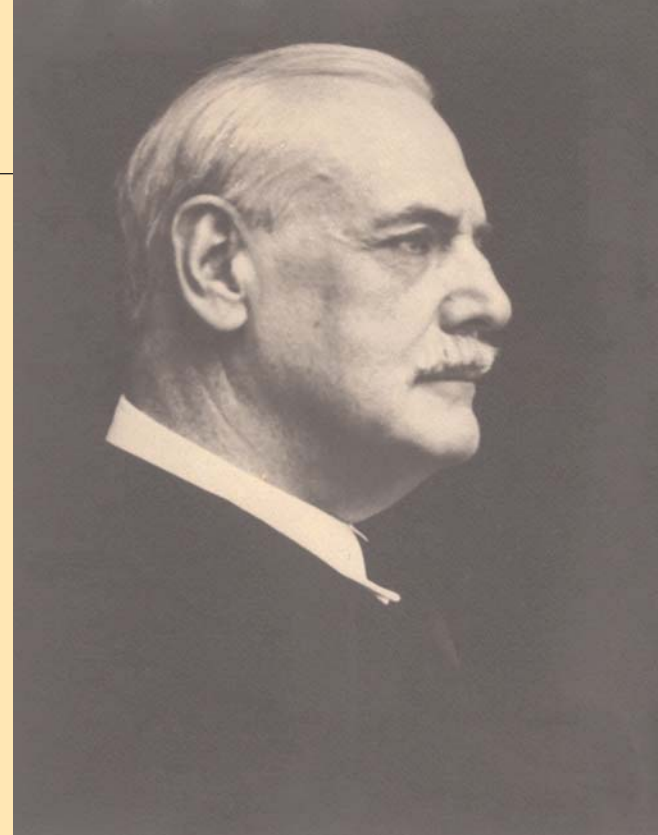


The excursion heralded a new era on the Waccamaw Neck. This Roaring ‘20s power couple actually were seeking a healthier climate for her, as she had been diagnosed with tuberculosis in late 1927. They liked what they saw. On Jan. 24, 1930, Archer Huntington bought 6,635 acres comprising four former rice plantations from the FMC Corp. Hunt Club. The price: \$225,000. Of course, that would be a steal by today’s standards.

Later acquisitions increased his holdings to over 9,000 acres. Brookgreen’s present acreage is 6,627 acres. The combined acreage of the gardens and park provide a natural buffer to the Waccamaw Neck’s rapid residential and commercial development.

Born in 1870, he was the adopted, rich son of Collis P. Huntington and Arabella Y. Huntington. His father made his money in railroad and shipping interests, particularly the shipyard at Newport News, Va. He didn’t go to college, but ardently pursued a love of history, literature and the arts through extensive traveling. He particularly loved Spanish culture, and in 1903, finished translating the epic Spanish poem “El Cid,” which is hailed as a scholarly work even today. He founded no fewer than 12 museums.

Born in 1876, she was the daughter of Alpheus Hyatt II and Audella Hyatt of Cambridge, Mass. Her father excelled in zoology and paleontology, and this greatly influenced Anna toward sculpture. She was a self-taught artist. At 25, Anna had her first show at the Boston Art Club, displaying 50 pieces. In 1915, her sculpture of Joan of Arc catapulted her onto the art scene internationally.



Archer Milton Huntington founded The Hispanic Society of America, or the Spanish Museum, in 1904.

They spent most of their lives at homes in Connecticut or upstate New York. But not long after buying their huge tract of land, they incorporated Brookgreen Gardens in 1931. As a nonprofit, eleemosynary organization, it exists as a “society for Southeastern flora and fauna.”

In the spring of 1930, the Huntingtons lived in a “gun club beach house” and the following January, Archer began constructing Atalaya, which in Spanish means “watch tower.” Modeled after Moorish architecture found along the Mediterranean coast in Spain, Atalaya is a 200 feet by 200 feet one-story masonry structure.

Work on it began in January 1931 when the Huntingtons again returned from the North. Atalaya would become their winter home when it was completed in 1933. Local labor was used, a great benefit to the local population during those Depression years. A Georgetown man, William Thomson, was Atalaya’s “construction manager.” Built with no architectural drawings, Huntington designed it himself, from his head.



Visitors can surf fish or fish from the jetty while visiting this state park. Here, park host Vonnie Durant casts into the ocean hoping for a big catch.

modeling studio during the winters. It was a happy time. The couple was in their prime.

World War Two at Huntington Beach: No U-boats Here

There is a great myth about Huntington Beach that Windham and interpreter Mike Walker hear all the time: that the Huntingtons were Nazi sympathizers and allowed or secretly assisted the refueling of German U-boats during World War II.

“Nothing could be further from the truth,” Walker says. “The Huntingtons were not even here during World War II. They were not Nazi sympathizers.”

Perhaps war jitters after Pearl Harbor contributed to this legend. And it is a fact U-boats were prowling the South Carolina coast before and during the war.

All too often in the war’s early years, they wreaked havoc on Allied shipping within plain sight of many East Coast residents who witnessed fiery sinkings, the result of German torpedoes finding their mark.

The U.S. Army Air Corps did occupy Atalaya during World War II. The 455th Bombardment Squadron from the Myrtle Beach Air Field set up a radar unit and machine guns, beach patrols and target practice from aircraft were part of the wartime scene. A few planes crashed near Atalaya and at Murrells Inlet during the war. There is no doubt that the global conflict cut short time they would have spent at Atalaya.

Post-War Years

The falls and springs of 1946 and 1947 marked the final trips of the Huntingtons to Atalaya. They were both advancing in years and his health was declining. Archer died in December 1955 at their primary home they called Stanerigg, located near Bethel, Conn.

Atalaya, with its 50 rooms, many for servants quarters, was essentially cleared out of furnishings. Anna continued to work and continued to receive international acclaim for her work. She was showing new work even at the age of 91. Anna died in 1973 at age 97, having lived



Sea oats anchor the sand dunes, protecting them from the wind and waves.

a very full life. Her brilliant works, and those of others, can be found at Brookgreen Gardens.

Huntington Beach Today

About 600,000 visitors call on the park each year and it's busy even in the "off season."

"At Thanksgiving, we have every campsite filled," Windham says. "Fall is a great time to visit when the heat and humidity isn't as high."

The year's signature event is the annual Atalaya Arts and Crafts festival, held each September since 1976. Now a celebrated three-day gathering, it attracts more than 100 artisans on a national and international scale.

An annual surf-fishing rodeo has become popular and more than 1,200 educational programs are held each year, most available free of charge to park visitors.

The park also offers 80 "Discover Carolina" programs each year to school children. This outreach is designed to help teach students state-required standards for science and social studies.

This is one example of how Huntington Beach combines its natural setting with a unique classroom experience. The result is the enhancement of education in the Palmetto State.

While the park reaches out to young people, there is another organization that means a lot to the park and its future. The Friends of Huntington Beach is an organization of volunteers, 85 strong, who assist the park with upkeep and programs. They're always looking for new members and "Friends" who have



Huntington Beach State Park is a treasure for birders where, through the years, more than 300 species of birds have been spotted.

the flexibility of helping out in many different ways. The group is particularly attractive to seniors and retirees.

"With their help, we're able to do things we couldn't do otherwise," says Steve Rolff, an interpreter who's worked at Huntington Beach full-time since 1994. "It's a good way to keep the community involved with us."

Whether it's exploring the "castle," spotting the many alligators found along the causeway, beachfront lounging or casting a line in the surf, Huntington Beach



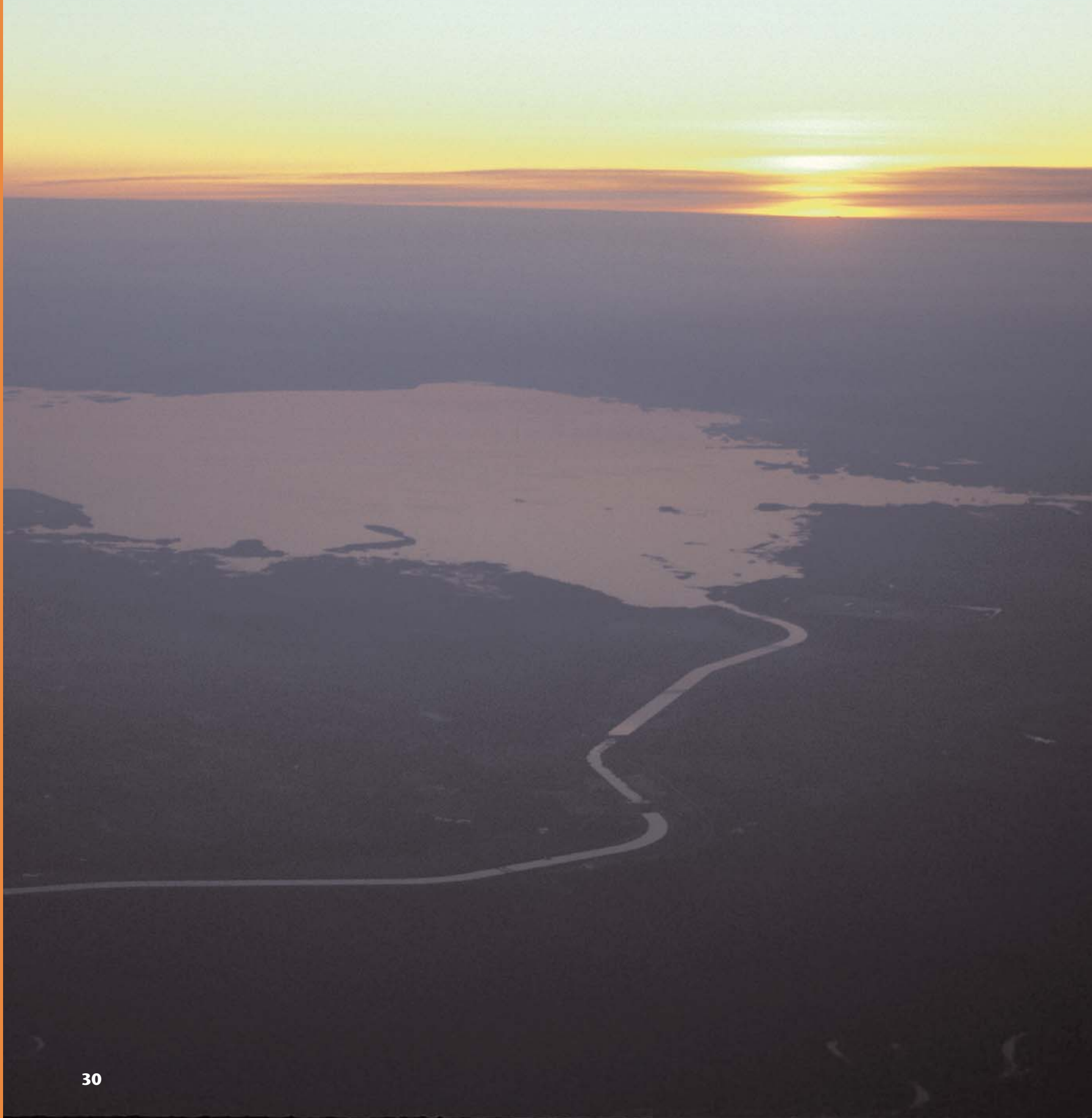
Above: Numerous Palmetto trees provide both shade and natural beauty in Atalaya's courtyard.
Below: Anna Hyatt Huntington designed much of the iron work that covers the windows and doors of Atalaya.



has something unique that isn't found at other state parks in South Carolina.

"The Huntingtons left us a wonderful legacy," Windham says. "They dedicated their lives to preserving nature in a way we can all enjoy today."

For more information on Huntington Beach State Park's programs and services, go to www.discoversouthcarolina.com/stateparks



WATERSHED PROVIDED FOUNDATION FOR SOCIETY

A low-pressure system moves slowly eastward over the United States, carrying moisture from the Pacific Ocean. As the front approaches the Appalachian Mountains, it rises then collides with a slower moving, warmer air mass over westernmost North Carolina. The result? A snow shower with tiny ice crystals collecting around very small dust particles suspended in the atmosphere. The tiny ice crystals congregate, grow heavier, then eventually whirl earthward as snowflakes, performing a delicate pirouette and shrouding the Appalachians in white.



The weather front edges eastward, cresting the Eastern Continental Divide. It’s at this spot that rivers no longer surge headlong toward the mighty Mississippi River, but instead course to the Atlantic Ocean.

This is the genesis of Santee Cooper’s 15,000-square mile watershed, the second largest watershed in the Eastern United States. Here, at this point in the heart of the Blue Ridge Mountains, any rain that falls or snow that melts in the mountains between Blowing Rock, N.C. and Table Rock, S.C. causes hundreds of creeks and streams to swell.

Flowing into South Carolina are the Catawba, Broad and Saluda rivers. In the sandhills area, the Broad and Saluda rivers join together to form the Congaree River. To the east of the Congaree, the Catawba becomes the Wateree River in Kershaw County. As the Wateree flows downstream, it joins the Congaree at the boundary line of Calhoun and Sumter

Top: Linville Falls, located along the Blue Ridge Parkway in North Carolina, offers visitors a series of dramatic falls that drop to a deep gorge, accessed by a trail lined with rare virgin stands of white pine and hemlock. The area around the falls is one of the few places in the Blue Ridge Mountains where the rosebay, Catawba and Carolina rhododendron grow side by side. Water flowing from the falls is part of the 15,000-square mile Santee Cooper watershed which has the Atlantic Ocean as its final destination.

Left: The sun sets over Lake Moultrie, renamed in 1944 for Revolutionary War hero Gen. William Moultrie, the commander of Fort Sullivan on Sullivan’s Island during the famous June 28, 1776 battle. The lake’s original name was the Pinopolis Reservoir and comprises 59,874 acres in Berkeley County.



Lake Moultrie provides a spectacular sunset and is home to the Moultrie Wildlife Management Area, the Hatchery Wildlife Management Area and the Sandy Beach Waterfowl Area. These Santee Cooper-owned lands are managed in cooperation with the S.C. Department of Natural Resources and afford the public access for hunting and recreational opportunities. The Lake Moultrie Passage of the Palmetto Trail forms a semicircle around the lake.

counties to become the Santee River, the headwaters of Lake Marion.

As much as 14,000 years ago, the waterways enticed the Paleo-Indians who were the first humans to live along the waterways' banks and began shaping the developing culture. The rich soil deposited by millennia of floods eventually supported crops like indigo, corn and tobacco, some of the first exports from America, or the New World.

"Rivers were literally the life blood of societies," explains Mark Butler, noted aboriginal technologist. "Long before Europeans began settling in the Carolinas, the rivers were the highways, the ready-made paths along which the Indians traded goods and ideas with each other. It's the way Cherokee Indians got seashells from the coast to use as ornamentation. It's also the way the Santee Indians in the state's Lowcountry

received mica and copper from the mountains and points even further west for self adornment. The modern cities of Asheville, Greenville, Charlotte, Columbia and Charleston owe their very existence to the system of waterways that connects them."

To understand the strength of the bond between the people and the waterways, one only needs to look at their names. Santee, Catawba, Congaree, Saluda and Wateree rivers all have names of the people who were inextricably linked to the area. Both Catawba and Santee translate into English as "people of the river."

As Europeans entered the scene in the 1500s, the settlers' fortunes, and indeed their very survival, was linked to the Indians and waterways. An unprecedented abundance of animal skins, seed crops and minerals flowed down the Santee and Cooper rivers into the natural deep harbor at Charles Towne, allowing the wealth to flow from the colonies back to Europe.



The 22-mile long Santee Canal, built from 1793 to 1800 and operated until 1850, connected the Santee and Cooper rivers and represented the precursor to the Santee Cooper Hydroelectric and Navigation Project that again connected the two waterways. For more historical information on Santee Cooper, go to www.santeecooper.com/aboutus/history.html

The Europeans also brought with them a different view of the waterways. They used the rivers to mark property boundaries, dividing the land on each side of the rivers into left and right banks with different owners for each section. The lines that mark the borders of our states, counties and even cities often follow the course of a stream or river.

It was the advent of the locomotive in the 1800s that began replacing rivers as main thoroughfares. However, the benefits of moving water didn't evaporate. By capturing the power of rushing water, electricity could be generated to power the mills spawned by the industrial revolution.

In order for Santee Cooper to generate electricity in the early 1940s, water was needed. The fortunate geography of this watershed is that the 35-foot difference in elevation between the Santee and Cooper rivers provided the necessary "head" to turn five hydroelectric turbines at Santee Cooper's Jefferies Hydro Station.

The modern cities of Asheville, Greenville, Charlotte, Columbia and Charleston owe their very existence to the system of waterways that connects them.



The water Santee Cooper uses in the hydroelectric process comes from North Carolina’s Appalachian Mountains. Forty-one miles of dams and dikes retain the water in Lakes Marion and Moultrie, making it South Carolina’s largest source of surface fresh water. Lakes Marion and Moultrie have a capacity of approximately 804 billion gallons of water with 450 miles of shoreline. Lake Moultrie is the deeper of the two lakes with a maximum depth of 65 feet while Marion’s deepest point is 35 feet.

The touted benefits of the Santee Cooper project, created by harnessing the waters flowing from the Congaree, Wateree and Santee rivers, were all quickly accomplished. Hydroelectric power, inland navigation, flood control and improving public health remain to this day the bedrock of what Santee Cooper was to be.

“One of the unintended and unforeseen byproducts of the reservoirs has been the tremendous recreational resource they have become,” says Larry McCord, Santee Cooper’s supervisor of analytical & biological services, the department at Santee Cooper

responsible for managing the lakes’ water quality.

“People are drawn to the water. Just look at the demand for lakefront homes and vacant lots throughout the lake system.”

Santee Cooper’s plan is to preserve at least 70 percent of the area surrounding the lakes in a natural, undeveloped state...forever. Any major development around the lakes is carefully studied. Land-use planners, architects, engineers, environmentalists and conservationists work together to determine the most responsible way to use the land. At the same time, the utility is working to increase public access for fishing and recreation.

“Right now we have a healthy system,” says McCord. “As to the future, I see the system providing more drinking water in order to relieve pressure on underground aquifers. Ultimately, the key is to balance the various uses in order to protect the whole system, the water and the bordering land. I believe we owe this to our ancestors as well as to future generations.”

NEWSOURCE

Relicensing Update for the Santee Cooper Project

Santee Cooper is periodically required by the Federal Energy Regulatory Commission to “relicense” its hydroelectric and navigation project, which began operating on Feb. 17, 1942. Santee Cooper began the relicensing process in November 2000 when the notice of intent was submitted to the FERC.

Since that time, Santee Cooper has completed a significant number of milestones associated with the process. Those milestones culminated with the submittal of the 11-volume Final License Application in March 2004.

In fall 2004, the FERC requested additional information from Santee Cooper. This is a typical request regarding a project of the size and magnitude of Santee Cooper. This type of request is primarily issued to gather additional scientific data associated with project features such as habitat, water quality, flora and fauna.

The FERC developed a public scoping document in April 2005, and public scoping meetings in the areas around the Santee Cooper Lakes were held in May 2005. The public scoping document and meetings are a means for the public to get involved.

The data gathered from the meetings and public comments, as well as other information, will be used by the FERC in developing its overall environmental assessment of the project.

Currently, Santee Cooper is completing several studies, including a comprehensive flow study of the Santee River, a freshwater mussel study, an evaluation of water quality on the Santee River and a study of the impact of hydro operations on fish at the powerhouses.

Before the FERC performs an environmental assessment, a public notice will be issued by the FERC indicating that the project is ready for environmental analysis.

At that point, federal and state agencies will submit their preliminary terms and conditions including any prescriptions or recommendations for additional fish passage at the Santee Cooper Project.

This step will follow the submittal of all additional information and comments from agencies and the public. The public notice is expected to be issued sometime next year. A final date for receipt of the license has not been determined.





Green Power: Good News for the Future



Green Power is Santee Cooper's way of offering you the opportunity to support electricity generated by a renewable power resource – methane gas produced from decomposing garbage – and minimize harm to the environment. Green Power is available to you, as a residential customer, in 100 kilowatt-hour blocks (about 10 percent of a typical home's monthly energy use). Each block will add just \$3 to your monthly electric bill, all of which will be reinvested in development of additional renewable resources for a better, cleaner future. To sign up, visit www.santeecooper.com/greenpower, call (843) 347-3399, ext. 3205 or come by a Santee Cooper customer services office.

\$6 per month in Green Power for one year = Recycling half a ton of newspapers